



## HUMAN RESOURCES OFFICE TECHNICIAN / AGR ADMINISTRATIVE INSTRUCTION

Number: 04-13

22 March 2004

### FY-04 Federal Wage System (FWS) Wage Schedules

1. The DoD Civilian Personnel Management, Wage and Salary Division, has released the first wage schedules to be calculated using the new FY-04 formula which requires at least the same increase as received by GS technicians in the same location. Although Congress approved the FWS pay change in January, the executive order that authorized the publication of the new pay tables was not issued until last week.

2. The formula is complex, but here it is:

a. Determine the Statutory Pay Cap: The Statutory cap for FY-04 is 4.39%, the weighted average (mean) increase for all GS Locality areas, as determined by the Federal Salary Council. The Wage Rates in effect as of 30 September 2003 will be multiplied by 4.39%, with the result rounded **down** to the nearest penny, so that the result does not exceed 4.39%. This rate becomes the ceiling for most wage areas. The pay cap law does not allow rates to exceed 4.39% above the 30 September rate, so the rates are always rounded down. The pay cap rate becomes the maximum rate, but not necessarily the actual rate that most FWS technicians may receive.


b. Determine the Statutory Floor: A separate section of the pay cap law requires minimum (floor) increases for FY-04. These minimum increases may exceed the pay cap. The GS Locality increase percentage for the same area (or, in some cases, *part* of an area; see attached spreadsheet) is the floor amount. For most technicians, this will be the Rest of US Locality increase of 3.90%. The 30 September rates will be increased by the GS Locality increase percentage, and the result will be rounded **up**. Because some GS Locality increases are more than the 4.39% pay cap, it is possible to have the floor above the ceiling; when the floor exceeds the ceiling, the ceiling is raised to meet the higher amount.

c. Determine the Final Pay Rate: Compare the new prevailing wage rates to the Statutory floor and ceiling as determined above. Wage Survey data is used to compute the prevailing rates in the wage area. These prevailing rates are unrestricted (ie, calculated before the Congressionally – mandated pay cap is applied), and form the foundation for pay rates in the wage area. If the *unrestricted* rates from the wage survey fall between the floor and the ceiling (eg: 3.90% for Rest of US and the 4.39% maximum), then those unrestricted rates will be paid without rounding. Some wage schedules may have floor rates for grades 1 – 5, unrestricted rates for grades 6 – 10, and ceiling rates for the rest.

3. Under the new formula some of the wage areas in California are completely overlayed by the corresponding GS locality area. In those situations the new criteria is applied to a single pay table. However, a few of our wage areas overlap two or more different GS locality areas. In those situations a separate pay table may be issued for each overlapped GS locality area. Affected FWS wage areas are Sacramento-Yolo, Salinas-Monterey, San Diego, and Santa Barbara.

4. The overdue pay adjustments (due after 30 September 2003) will be applied retroactively to the first day of the first pay period beginning on or after the effective date listed on the schedule. The actual processing of these pay adjustments in the personnel system may take some time and we do not have a specific date when we expect to have these completed. The implementation of the new tables and retroactive pay adjustments are accomplished at the national level and are out of control of the Directorate for Human Resources, so please be patient.

5. For additional information, contact CMSgt Michael Hunt at DSN 466-3354, or (916) 854-3354; or TSgt Kenneth Cosgrove at DSN 466-3598, or (916) 854-3598.

  
STUART D. EWING  
Captain, CA ANG  
Deputy Director for Human Resources

**DISTRIBUTION:**

Air: TA

Army: TA